

**STATE OF SOUTH CAROLINA**

Application of South Carolina Electric & Gas Company for  
Implementation of Time-of-Use Rates for Residential and  
Commercial Customer Classes

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET**

**DOCKET**

**NUMBER: 2007 - 171 - E**

(Please type or print)

**Submitted by:** K. Chad Burgess

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ **Emergency Relief demanded in petition**      ☐ **Request for item to be placed on Commission's Agenda expeditiously**

☐ **Other:** \_\_\_\_\_

**INDUSTRY (Check one)**

**NATURE OF ACTION (Check all that apply)**

- |  |  |  |  |
|--|--|--|--|
| <input checked="" type="checkbox"/> Electric         | <input type="checkbox"/> Affidavit                 | <input checked="" type="checkbox"/> Letter                 | <input checked="" type="checkbox"/> Request        |
| <input type="checkbox"/> Electric/Gas                | <input type="checkbox"/> Agreement                 | <input type="checkbox"/> Memorandum                        | <input type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer                    | <input type="checkbox"/> Motion                            | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Electric/Water              | <input type="checkbox"/> Appellate Review          | <input type="checkbox"/> Objection                         | <input type="checkbox"/> Resale Agreement          |
| <input type="checkbox"/> Electric/Water/Telecom.     | <input type="checkbox"/> Application               | <input type="checkbox"/> Petition                          | <input type="checkbox"/> Resale Amendment          |
| <input type="checkbox"/> Electric/Water/Sewer        | <input type="checkbox"/> Brief                     | <input type="checkbox"/> Petition for Reconsideration      | <input type="checkbox"/> Reservation Letter        |
| <input type="checkbox"/> Gas                         | <input type="checkbox"/> Certificate               | <input type="checkbox"/> Petition for Rulemaking           | <input type="checkbox"/> Response                  |
| <input type="checkbox"/> Railroad                    | <input type="checkbox"/> Comments                  | <input type="checkbox"/> Petition for Rule to Show Cause   | <input type="checkbox"/> Response to Discovery     |
| <input type="checkbox"/> Sewer                       | <input type="checkbox"/> Complaint                 | <input type="checkbox"/> Petition to Intervene             | <input type="checkbox"/> Return to Petition        |
| <input type="checkbox"/> Telecommunications          | <input type="checkbox"/> Consent Order             | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation               |
| <input type="checkbox"/> Transportation              | <input type="checkbox"/> Discovery                 | <input type="checkbox"/> Prefiled Testimony                | <input type="checkbox"/> Subpoena                  |
| <input type="checkbox"/> Water                       | <input type="checkbox"/> Exhibit                   | <input type="checkbox"/> Promotion                         | <input checked="" type="checkbox"/> Tariff         |
| <input type="checkbox"/> Water/Sewer                 | <input type="checkbox"/> Expedited Consideration   | <input type="checkbox"/> Proposed Order                    | <input type="checkbox"/> Other:                    |
| <input type="checkbox"/> Administrative Matter       | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest                           |  |
| <input type="checkbox"/> Other:                      | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit             |  |
|  | <input type="checkbox"/> Late-Filed Exhibit        | <input type="checkbox"/> Report                            |  |



June 30, 2008

K. Chad Burgess  
Senior Counsel

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**VIA ELECTRONIC FILING**

The Honorable Charles Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive (29210)  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RE: Application of South Carolina Electric & Gas Company for Implementation of  
Time-of-Use Rates for Residential and Commercial Customer Classes  
Docket No. 2007-171-E

Dear Mr. Terreni:

By letter dated March 20, 2008, South Carolina Electric & Gas Company ("SCE&G" or "Company") informed the Public Service Commission of South Carolina ("Commission") that it had conducted a review of its voluntary time-of-use electric rate offering entitled "Rate 28, Small General Service, Time-of-Use Demand" ("Rate 28") to examine whether the rate would perform as originally intended. After completing its examination, SCE&G discovered that Rate 28 would not function as intended with respect to revenue neutrality. At the Company's request, the Commission suspended Rate 28 indefinitely, effective March 20, 2008.

As part of its revenue neutrality evaluation, the Company discovered that a number of customers who were currently subscribing to other electric rates could switch to Rate 28 and pay less for the same amount of energy they consumed under their current rate schedule. In its original design of Rate 28, SCE&G did not intend for customers to switch to Rate 28 and not change their load characteristics. To the contrary, the Company designed Rate 28 as an energy conservation rate option in an attempt to encourage customers to shift or shed demand during peak periods. This purpose would be defeated if customers did not change their load characteristics after subscribing to Rate 28. Additionally, if customers could switch to Rate 28 and pay less for the same amount energy consumed under their current rate schedule, then the Company would experience revenue erosion that would eventually lead to other customers paying more for electric service in order to account for the revenues lost as a result of customers migrating to Rate 28.

In subsequent letters dated March 28, 2008, and May 30, 2008, the Company informed the Commission that it was evaluating various rate design options to correct the deficiency in Rate 28 and anticipated that it would submit to the Commission for approval either revisions to Rate 28 or a new, voluntary time-of-use electric rate offering. The purpose of this letter is to inform the Commission that SCE&G has completed its evaluation of Rate 28 and hereby submits for approval revisions to Rate 28 ("Revised Rate 28"). Enclosed is a copy of Revised Rate 28.

(Continued . . .)

In redesigning Rate 28, the Company (i) used updated billing data for the twelve-month period ending December 2007; (ii) used retail electric rates effective May 2008, which included adjustments made to base rates pursuant to Commission Order Nos. 2007-855 and 2008-323 issued after Rate 28 was originally approved; and (iii) tested the redesign of Rate 28 against a wide variety of customer load characteristics and against the numerous rate options available within the small and medium general service customer classes. In addition, the Company lowered the maximum demand to 100 kilowatts ("kW") to match the kW limit set forth in SCE&G's net metering tariff and placed a limit on the number of non-net metering customers who may subscribe to Revised Rate 28 to twenty-five (25).

By making these revisions and redesigning the structure of the rate, Revised Rate 28 is designed to eliminate the issues experienced under the original version of Rate 28 as described above. Furthermore, Revised Rate 28 will still assist customers who subscribe to this rate by providing them with rate information they may not have otherwise had in the past to help them decide whether to shift or shed demand during peak periods. Such information will benefit the Revised Rate 28 customer by allowing them to shift demand to coincide with lower rates. Revised Rate 28 can also benefit all SCE&G customers by reducing peak load which in turn can reduce the need for additional generation capacity.

In light of the redesign of Rate 28, SCE&G also seeks approval to have Revised Rate 28 designated as experimental so that if any additional revisions to the rate become necessary they can be made pursuant to S.C. Code Ann. § 58-27-870(F) (Supp. 2007).

If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms  
Enclosure

cc: A. Randy Watts  
Shannon Bowyer Hudson, Esquire

**RATE 28  
(EXPERIMENTAL)****SMALL GENERAL SERVICE  
TIME-OF-USE DEMAND  
(Page 1 of 2)****AVAILABILITY**

This rate is available to any non-residential customer using the Company's standard service which is specified as a single point of delivery per premises from an existing overhead distribution system for power and light requirements and having an on-peak demand of not more than 100KW. The second billing month within a twelve billing month period that on-peak demand exceeds 100 KW will terminate eligibility under this rate schedule. It is not available for resale service. This rate is available to a maximum of 25 customers not enrolled under the Company's Rider to Rates 7 & 28 - Net Metering For Renewable Energy Facilities.

**CHARACTER OF SERVICE**

Alternating Current, 60 hertz. Voltage and phase at the option of the Company.

**RATE PER MONTH**

<b>I. Basic Facilities Charge:</b>	\$ 20.15
<b>II. Demand Charge:</b>	
A. On-Peak Billing Demand:	
1. Summer months of June-September @	\$ 16.59 per KW
2. Non-Summer months of October-May @	\$ 10.37 per KW
B. Off-Peak Billing Demand	
1. All Off-Peak Billing Demand @	\$ 3.32 per KW
<b>III. Energy Charge:</b>	
A. On-Peak Kwhrs.	
1. All On-Peak Kwhrs. @	\$ 0.08362 per Kwhr.
B. Off-Peak Kwhrs.	
2. All Off-Peak Kwhrs. @	\$ 0.06432 per Kwhr.

**BILLING DEMAND**

The billing demands will be rounded to the nearest whole KW. The maximum integrated fifteen minute demand for any period may be recorded on a rolling time interval.

For the summer months, the on-peak billing demand shall be the maximum integrated fifteen minute demand measured during the on-peak hours of the current month.

For the non-summer months, the on-peak billing demand will be the greater of: (1) the maximum integrated fifteen minute demand measured during the on-peak hours of the current month, or (2) eighty percent (80%) of the maximum integrated demand occurring during the on-peak hours of the preceding summer months.

The off-peak billing demand shall be the greatest of the following positive differences: (1) the maximum integrated fifteen minute demand measured during the off-peak hours minus the on-peak billing demand or (2) the contract demand minus the on-peak billing demand.

**DETERMINATION OF ON-PEAK HOURS****A. On-Peak Hours:**

June-September:

The on-peak summer hours are defined as the hours between 1:00 p.m.-9:00 p.m., Monday-Friday, excluding holidays.\*

October-May:

The on-peak non-summer hours are defined as those hours between 6:00 a.m.-10:00 a.m. and 6:00 p.m.-10:00 p.m. Monday-Friday, excluding holidays.\*

**B. Off-Peak Hours:**

The off-peak hours in any month are defined as all hours not specified as on-peak hours.

\*Holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above, provided however, when construction costs exceed four (4) times the estimated annual revenue excluding fuel revenue to be derived by the Company, the customer may make a contribution in aid of construction cost in addition to the rate charges above.

**ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS**

Fuel cost of \$.02728 per Kwhr. are included in the energy charge and are subject to adjustment by order of the Public Service Commission of South Carolina.

**STORM DAMAGE COMPONENT**

The energy charges above include a storm damage component of \$.00038 per Kwhr. for accumulation of a storm damage reserve.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**POWER FACTOR**

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

**RATE 28  
(EXPERIMENTAL)****SMALL GENERAL SERVICE  
TIME-OF-USE DEMAND  
(Page 2 of 2)****PAYMENT TERMS**

All bills are net and payable when rendered.

**SPECIAL PROVISIONS**

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

The Company shall have the right to install and operate special metering equipment to measure customer's loads or any part thereof and to obtain any other data necessary to determine the customer's load characteristics.

**TERM OF CONTRACT**

The contract terms will depend on the conditions of service. Contracts for installations of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be written for each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and are a part of this rate schedule.